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August 15, 2006

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-31

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Information Requests:

UWUA-3-1 UWUA-3-2 UWUA-3-3 UWUA-3-4

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Paul Osborne (DTE)
 A. John Sullivan (DTE)
 Alexander Cochis, Assistant Attorney General (4 copies)
 Charles Harak, Esq. (UWUA)
 Nicole Horberg Decter, Esq. (USW)
 Service List

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D.T.E. 06-31

Date: August 15, 2006

Responsible: Stephen H. Bryant, President

UWUA 3-1: Please describe the respective roles that individuals at Bay State (e.g., Steve Bryant, Dan Cote, and those serving under them) and/or NiSource or NSCS employees or consultants play in determining the annual level of investment in replacement of pipe on Bay State's distribution system. Include the names and titles of the individuals involved, and the role that each individual plays.

RESPONSE: The amount of pipe that is replaced each year as part of Bay State's non-discretionary capital spending initiatives is primarily driven by two factors: the Company's plan to replace all remaining bare and coated, unprotected steel over the next 14 years, and the Company's compliance with the Department's cast iron replacement program. These two factors result in a highly predictable amount of pipe that will be replaced each year. The engineering staff determines the specific segments of bare and coated, unprotected pipe that will be replaced in a given geographical area, and replacement of cast iron pipe is determined primarily by the amount and location of municipal street reconstruction. Ultimately, the annual level of investment is driven by these factors and the cost of construction work performed by contractors secured through competitive bidding. Therefore, the role that both Bay State and NCSC senior management play with regard to these non-discretionary initiatives is to authorize the spending of necessary capital dollars and ensure these funds are managed in a prudent manner through competitive bidding processes and general oversight.

Keith Dalton, Manager of Engineering & Construction, has primary responsibility for overseeing the selection of facilities to be replaced each year. Mr. Dalton reports to Shawn Patterson, Vice President of Engineering.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
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D.T.E. 06-31

Date: August 15, 2006

Responsible: Stephen H. Bryant, President

UWUA 3-2: Please describe the respective roles that individuals at Bay State (e.g., Steve Bryant, Dan Cote, and those serving under them) and/or NiSource or NSCS employees or consultants play in determining the annual level of investment in leak detection and repair on Bay State's distribution system. Include the names and titles of the individuals involved, and the role that each individual plays.

RESPONSE: Bay State's decision-making process for determining the annual level of leak detection and repair investment does not involve much management discretion, since the primary drivers are the leakage surveys required by the Federal (49 CFR Part 192) and State (CMR 220) pipeline safety codes and the Company's long-standing policy to repair most Class 2 leaks before the end of each calendar year. The Federal and State codes require local distribution companies such as Bay State to, among other things, undertake certain periodic leakage surveys and prescribe how companies respond to certain types of leaks (i.e., Class 1 leaks require immediate repair, Class 2 leaks require repair within a certain time frame and Class 3 leaks require monitoring).¹

Given that the code requirements for leak surveying have been in place for many years and the fact that Bay State's system incurs only modest growth each year, the Company's cost to perform leak detection is fairly predictable. Accordingly, Bay State's annual leak detection budget is developed by taking the actual leak detection expenditures from the previous year and adjusting as necessary for expected inflation and for any known anomalies.

The annual level of investment in leak repair is dictated by the number and type of leaks that are identified each year.

The following is a list of Bay State's management engaged in the leak detection and repair budgeting process:

¹ Periodically, it may also be necessary for the Company to undertake additional leak surveys when viewed as necessary by management. This occurrence, which is rare, may arise under extra-ordinary circumstances that produce a special risk (e.g., a very cold winter resulting in deep frost conditions or other unusual ground movement).

Dan Cote – BSG General Manager Pam Bellino – OCM* Springfield
Bill St. Cyr – OCM* Brockton Mike Laghetto – OCM* Lawrence
Colin Nesbit – Budget Analyst/IBM - Financial Support Group

* OCM = Operations Center Manager.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D.T.E. 06-31

Date: August 15, 2006

Responsible: Stephen H. Bryant, President

- UWUA 3-3: (a) Please provide a table listing the month-by-month investments (\$) in replacement of gas mains and services on Bay State's system, for the period January 2005 to the most recent date available.
- (b) Please provide a table listing the month-by-month leak rates on Bay State's system, for the period January 2005 to the most recent date available. To the extent available, include data by category of the leak (1, 2 or 3), sorted by mains v. services, and sorted by division (Brockton, Springfield, Lawrence).

RESPONSE:

- (a) Please see Attachment UWUA-3-3 (A) for the requested information. A review of the data demonstrates that Bay State continues to replace its mains and services at a level consistent with expectations set forth in Docket D.T.E. 05-27.
- (b) Please see Attachment UWUA-3-3 (B) for the requested information.

BAY STATE GAS COMPANY
REPLACEMENT MAINS AND SERVICES
JANUARY 2005 TO DECEMBER 2005

	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	YEAR END TOTAL
Replacement Mains													
Dollars 1/	\$442,785	\$85,683	\$259,850	\$693,484	\$1,411,466	\$2,186,943	\$1,790,613	\$2,591,790	\$2,485,922	\$2,068,120	\$1,381,666	\$2,389,394	\$17,787,716
Replacement Resid Serv													
Dollars 1/	\$190,886	\$158,333	\$169,526	\$321,586	\$380,614	\$387,229	\$446,568	\$592,011	\$474,015	\$563,538	\$405,350	\$769,899	\$4,859,555
Replacement C&I Serv													
Dollars 1/	(\$4,580)	\$15,380	(\$470)	\$10,592	\$20,066	\$4,326	\$5,695	\$20,065	\$5,089	\$3,050	\$8,839	\$35,121	\$123,173
Total Mains & Services	\$629,091	\$259,396	\$428,906	\$1,025,662	\$1,812,146	\$2,578,498	\$2,242,876	\$3,203,866	\$2,965,026	\$2,634,708	\$1,795,855	\$3,194,414	\$22,770,444

NOTES: 1/ These capital expenditures represent direct charges for replacement mains and services only. No overheads have been applied.

BAY STATE GAS COMPANY
REPLACEMENT MAINS AND SERVICES
JANUARY 2006 TO JUNE 2006

	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	6 MONTH TOTAL
Replacement Mains							
Dollars 1/	\$770,997	\$247,971	\$511,206	\$741,067	\$1,741,485	\$2,122,160	\$6,134,886
Replacement Resid Serv							
Dollars 1/	\$383,718	\$155,229	\$217,445	\$298,213	\$372,434	\$464,217	\$1,891,256
Replacement C&I Serv							
Dollars 1/	\$5,387	\$4,129	\$2,419	\$3,880	\$4,453	\$14,617	\$34,885
Total Mains & Services	\$1,160,102	\$407,329	\$731,070	\$1,043,160	\$2,118,372	\$2,600,994	\$8,061,027

NOTES: 1/ These capital expenditures represent direct charges for replacement mains and services only. No overheads have been applied.

**BAY STATE GAS COMPANY
MAINS AND SERVICES LEAK DATA
JANUARY 2005 - JUNE 2006**

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA 3-3 (B)

MAINS	Brockton				Springfield				Lawrence		
	Class				Class				Class		
	1	2	3		1	2	3		1	2	3
Jan-05	20	58	1		13	7	21		14	31	2
Feb-05	20	67	3		24	19	18		6	29	0
Mar-05	17	41	1		15	13	13		8	23	1
Apr-05	10	37	1		11	6	5		1	41	0
May-05	13	42	5		9	22	26		7	42	0
Jun-05	10	33	5		13	22	20		11	55	1
Jul-05	15	22	6		5	12	10		4	38	0
Aug-05	19	24	10		6	14	18		3	16	0
Sep-05	8	24	0		7	18	20		5	21	2
Oct-05	24	29	1		10	7	4		24	1	0
Nov-05	23	70	0		8	7	2		6	23	1
Dec-05	29	63	3		10	5	2		10	35	0
Jan-06	21	55	1		24	18	15		8	25	0
Feb-06	16	42	1		13	15	5		11	26	0
Mar-06	10	55	1		21	35	22		11	29	3
Apr-06	5	30	0		7	5	7		5	28	3
May-06	10	28	0		12	11	10		6	37	16
Jun-06	21	35	0		20	21	1		4	23	11
Jul-06	6	37	1		9	19	9		10	0	0

Services	Brockton				Springfield				Lawrence		
	Class				Class				Class		
	1	2	3		1	2	3		1	2	3
Jan-05	41	16	9		21	4	18		5	11	1
Feb-05	28	18	6		29	22	24		9	10	0
Mar-05	34	11	2		41	12	13		5	7	3
Apr-05	43	10	6		38	9	5		9	12	0
May-05	50	12	37		48	17	25		6	21	1
Jun-05	45	17	25		27	28	21		14	54	12
Jul-05	32	12	91		22	15	10		11	34	14
Aug-05	47	17	40		18	16	19		9	10	8
Sep-05	57	6	26		25	17	20		9	2	0
Oct-05	46	15	22		32	2	4		4	7	0
Nov-05	66	24	27		34	8	1		10	5	1
Dec-05	46	22	10		29	6	4		7	5	1
Jan-06	43	20	41		27	18	8		10	19	3
Feb-06	23	25	25		36	15	2		6	8	2
Mar-06	32	12	51		17	27	23		6	9	1
Apr-06	49	19	32		17	9	7		9	4	1
May-06	42	9	5		34	10	11		14	11	9
Jun-06	38	10	5		35	14	2		9	13	3
Jul-06	36	8	14		37	8	8		3	3	0

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D.T.E. 06-31

Date: August 15, 2006

Responsible: Stephen H. Bryant, President

UWUA 3-4: [See response DTE-BSG 1-13] Provide a set of similar "Current staffing level" tables, but showing staffing levels for January 1 and June 30 for the years 2004 and 2005, and for January 1, 2006.

RESPONSE: Please see Attachment UWUA-3-4 for a listing of the Company's full-time employees by division and business function for the requested time periods.

Bay State Gas Company
Full Time Staffing Levels by Division
As of December 31, 2003

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA-3-4
Page 1 of 5

	Brockton	Springfield	Lawrence	Westboro	Total MA
Distribution	61	55	12		128
Meter	17	14	12		43
Customer Service	48	27	10		85
Admin	1	1	1	1	4
Northern Management	0				0
Total Field Operations	127	97	35	1	260
System Operations	14	12	3	1	30
Facilities	1	3		3	7
Meter Shop	0	8			8
Instrumentation	2	1		1	4
Construction	2	1		1	4
Operations Exec Admin	0			3	3
Total Other Operations	19	25	3	9	56
OPERATIONS TOTALS	146	122	38	10	316
Tech Ops -GIS - Maps	2	1	1		4
Engineering	2	3		4	9
Total Tech Ops	4	4	1	4	13
Dispatch	10				10
Scheduling	3	3	1		7
Data Entry	3				3
Supports Ops Admin				1	1
Total Support Operations	16	3	1	1	21
Meter Reading	8	9	5		22
Field Collections	10	4	3		17
Total Meter to Cash	18	13	8	0	39
President & Regulatory Affairs	0				0
Communications	0				0
CARES	0			1	1
DSM	0			3	3
Total President & Staff	0	0	0	4	4
Call Center		58			58
Billing	22				22
Revenue Recovery		8			8
NE Retail & Sales Svcs	2			1	3
Sales Key Accounts					0
Fleet	4	4			8
Stores	4	4	2		10
Energy Supply		1			1
Human Resources				1	1
Total Other	32	75	2	2	110
TOTAL LOCATION	216	217	50	21	503

Bay State Gas Company
Full Time Staffing Levels by Division
As of June 30, 2004

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA-3-4
Page 2 of 5

	Brockton	Springfield	Lawrence	Westboro	Total MA
Distribution	65	53	13		131
Meter	16	19	11		46
Customer Service	56	28	13		97
Admin	1	1	1	1	4
Northern Management					0
Total Field Operations	138	101	38	1	278
System Operations	16	15	3	1	35
Facilities	1	3		3	7
Meter Shop		7			7
Instrumentation	2	1			3
Construction	2	1	1	1	5
Operations Exec Admin				3	3
Total Other Operations	21	27	4	8	60
OPERATIONS TOTALS	159	128	42	9	338
Tech Ops -GIS - Maps	2		1		3
Engineering	3	3		4	10
Total Tech Ops	5	3	1	4	13
Dispatch	11				11
Scheduling	2	3	1		6
Data Entry	3				3
Supports Ops Admin	4	3		1	8
Total Support Operations	20	6	1	1	28
Meter Reading	4	5	3		12
Field Collections	6	4	3		13
Total Meter to Cash	10	9	6	0	25
President & Regulatory Affairs	0				0
Communications	0				0
CARES	0			1	1
DSM	0			3	3
Total President & Staff	0	0	0	4	4
Call Center		64			64
Billing	21				21
Revenue Recovery		10			10
NE Retail & Sales Svcs	2	1		1	4
Sales Key Accounts					0
Fleet	4	4			8
Stores	4	5	2		11
Energy Supply		1			1
Human Resources					0
Total Other	31	85	2	1	119
TOTAL LOCATION	225	231	52	19	527

Bay State Gas Company
Full Time Staffing Levels by Division
As of December 31, 2004

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA-3-4
Page 3 of 5

	Brockton	Springfield	Lawrence	Westboro	Total MA
Distribution	77	54	13		144
Meter	13	15	12		40
Customer Service	59	29	14		102
Admin	1	1	1	1	4
Northern Management					0
Total Field Operations	150	99	40	1	290
System Operations	16	12	3	1	32
Facilities	1	3		3	7
Meter Shop		8			8
Instrumentation	2			1	3
Construction	3	2	1		6
Operations Exec Admin				3	3
Total Other Operations	22	25	4	8	59
OPERATIONS TOTALS	172	124	44	9	349
Tech Ops -GIS - Maps	2	1	1		4
Engineering	3	3	0	4	10
Total Tech Ops	5	4	1	4	14
Dispatch	14				14
Scheduling	3	3	1		7
Data Entry	3				3
Supports Ops Admin	5	3		1	9
Total Support Operations	25	6	1	1	33
Meter Reading	4	5	3		12
Field Collections	6	6	3		15
Total Meter to Cash	10	11	6	0	27
President & Regulatory Affairs	0				0
Communications	0				0
CARES	0			1	1
DSM	0			3	3
Total President & Staff	0	0	0	4	4
Call Center		64			64
Billing	21				21
Revenue Recovery		9			9
NE Retail & Sales Svcs	3	1		1	5
Sales Key Accounts		1			1
Fleet	7	5			12
Stores	4	4	2		10
Energy Supply		1			1
Human Resources					0
Total Other	35	85	2	1	123
TOTAL LOCATION	247	230	54	19	550

Bay State Gas Company
Full Time Staffing Levels by Division
As of June 30, 2005

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA-3-4
Page 4 of 5

	Brockton	Springfield	Lawrence	Westboro	Total MA
Distribution	79	53	13		145
Meter	17	24	14		55
Customer Service	56	29	13		98
Admin	1	1	1	1	4
Northern Management					0
Total Field Operations	153	107	41	1	302
System Operations	16	12	2	1	31
Facilities	1	3		3	7
Meter Shop		8			8
Instrumentation				1	1
Construction	3	2	1		6
Operations Exec Admin				3	3
Total Other Operations	20	25	3	8	56
OPERATIONS TOTALS	173	132	44	9	358
Tech Ops -GIS - Maps	3	1	1		5
Engineering	3	3	0	3	9
Total Tech Ops	6	4	1	3	14
Dispatch	12				12
Scheduling	3	3	1		7
Data Entry	4				4
Supports Ops Admin	2	1		1	4
Total Support Operations	21	4	1	1	27
Meter Reading	4	4	3		11
Field Collections	6	4	3		13
Total Meter to Cash	10	8	6	0	24
President & Regulatory Affairs	0		1	5	6
Communications	1	1			2
CARES	0			1	1
DSM	0			3	3
Total President & Staff	1	1	1	9	12
Call Center		61			61
Billing	21				21
Revenue Recovery		9			9
NE Retail & Sales Svcs	3	1		1	5
Sales Key Accounts		1			1
Fleet	7	5			12
Stores	4	4	2		10
Energy Supply		1			1
Human Resources					0
Total Other	35	82	2	1	120
TOTAL LOCATION	246	231	55	23	555

Bay State Gas Company
Full Time Staffing Levels by Division
As of December 31, 2005

Bay State Gas Company
D.T.E. 06-31
Attachment UWUA-3-4
Page 5 of 5

	Brockton	Springfield	Lawrence	Westboro	Total MA
Distribution	77	55	12		144
Meter	19	23	13		55
Customer Service	56	26	14		96
Admin	1	1	1	1	4
Northern Management					0
Total Field Operations	153	105	40	1	299
System Operations	16	12	3	1	32
Facilities	1	3		3	7
Meter Shop		7			7
Instrumentation				1	1
Construction	3	2	1		6
Operations Exec Admin				3	3
Total Other Operations	20	24	4	8	56
OPERATIONS TOTALS	173	129	44	9	355
Tech Ops -GIS - Maps	3	1	1		5
Engineering	3	3		3	9
Total Tech Ops	6	4	1	3	14
Dispatch	12				12
Scheduling	3	3	1		7
Data Entry	4				4
Supports Ops Admin	2	2		1	5
Total Support Operations	21	5	1	1	28
Meter Reading	4	4	3		11
Field Collections	6	3	3		12
Total Meter to Cash	10	7	6	0	23
President & Regulatory Affairs	0		1	5	6
Communications	1	1			2
CARES	0			1	1
DSM	0			3	3
Total President & Staff	1	1	1	9	12
Call Center		62			62
Billing	21				21
Revenue Recovery		7			7
NE Retail & Sales Svcs	3	1		1	5
Sales Key Accounts		1			1
Fleet	7	5			12
Stores	4	4	2		10
Energy Supply		1			1
Human Resources					0
Total Other	35	81	2	1	119
TOTAL LOCATION	246	227	55	23	551